



ECO-FRIENDLY FIRE

www.duraflame.com

duraflame

PUBLIC EDUCATION FOR POSITIVE RESULTS

Spreading the Word

From consumers to air quality agency officials and non-profit organizational leaders, Duraflame is actively spreading the word about the environmental benefits of firelogs. Duraflame applies its resources, including time and money, toward educational and outreach opportunities focused on its customers. The goals are simple. Duraflame strives to make excellent products that help people enjoy an easy, cozy fire and to help people use their fireplaces responsibly to protect neighborhood air quality while helping preserve a stable global climate.

Making a Positive Impact

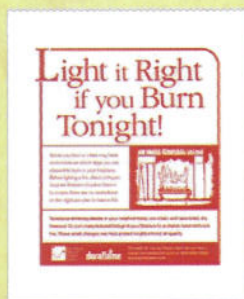
Duraflame seeks to make a positive impact on customer behavior. From providing materials for distribution to the public to funding cooperative radio and television spots with air quality agencies, the Duraflame marketing team is focused on results. This year, the company is reaching out to consumers through spots on HGTV and advertisements in such publications as the regionally-focused Chinook Book.

It Started a Decade Ago

Duraflame began educating the public about the environmentally-responsible characteristics of its products in the early 1990s when attention was brought to the fact that all recycled wood product was used in its firelog production. Duraflame's environmentally-oriented public education campaign continues today as the company continues to highlight its new non-petroleum products and call out the numerous independent emissions tests that have proven sawdust and wax firelogs burn cleaner than natural firewood.

Air District Education

Air districts in the western states often recommend firelogs as the clean burning alternative to burning wood in fireplaces. In addition to advocating for the proper use of woodstoves and the replacement of uncertified woodstoves with cleaner-burning technology, jurisdictions are actively educating the public about the proper use of fireplaces.



**Puget Sound
Clean Home Heating
Partnership**

Partnership Profile

Duraflame has partnered with the Puget Sound Clean Air Agency to educate the public about the proper use of firelogs. To date, the public/private partnership has produced **radio commercials, public radio sponsorship programs, grocery bag messaging, coupon distribution for free firelogs, and joint press releases.** Duraflame and the Puget Sound Clean Air Agency are actively involved in the Puget Sound Home Heating Partnership, a consortium of public and private organizations such as the Master Builders of King and Snohomish Counties, Puget Sound Energy and the American Lung Association.

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Seventy percent less air pollution than burning wood.

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Duraflame firelogs. Now made from 100% renewable resources.

psclearnair.org
Puguet Sound Clean Air Agency

Brought to you by Duraflame, Inc. and the Puguet Sound Clean Air Agency. To learn more about how to reduce air pollution and greenhouse gas emissions from your fireplace, visit psclearnair.org and duraflame.com. Save with our coupon in the Home Section.



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GETTING TO KNOW US

It Started with Pencils

The duraflame® firelog was created in the late 1960s after a multi-year research and development project by California Cedar Products Company in Stockton, California. The company was looking for methods to utilize the sawdust generated by its pencil slat manufacturing process instead of sending it to the landfill. The company's engineers eventually determined the sawdust could be blended with petroleum wax, creating a mixture that could be extruded to make "logs."

Kindling a Growing Industry

In 1972, the wax and sawdust fireplace log, or firelog as it is now known, was introduced to the marketplace under the duraflame brand. The duraflame firelog quickly revolutionized what people burned in their fireplaces. The firewood alternative struck a chord with consumers due to its convenience and cleaner burning benefits compared to firewood. The resulting product sales sparked the inception of the firelog industry and the formation of Duraflame Inc. as an independent corporation. Today, the firelog industry generates \$250 million in retail sales annually.

Switching to Non-Petroleum Wax

Today, Duraflame continues to lead the industry in product innovation. The company recently embarked on a strategy to convert the petroleum wax component of its products to a non-petroleum formulation. This year, the new patent-pending, natural formula will be incorporated into the entire duraflame family of firelogs and firestarters, further minimizing Duraflame's environmental impact.

Duraflame Timeline

- 1968 Extruded wood / wax firelog created
- 1972 Duraflame brand firelogs introduced to the market
- 1986 Duraflame, Inc. established as an independent corporation
- 1990s Distribution expanded to mass merchandisers
Public education programs launched with air districts
- 2000s Expanded manufacturing to three plants
- 2007 Duraflame reformulates its branded firelogs and fire starters using non-petroleum natural waxes

Non-Petroleum Initiative improves Sustainability

The switch to non-petroleum materials provides improved sustainability for Duraflame. In recent years the company experimented with substituting blends of "bio-wax" from renewable, organic materials for its traditional petroleum wax. Tests showed the new bio-wax blends burn more vigorously and improved emissions. The renewable bio-waxes also improve the company's carbon footprint by dramatically reducing the use of non-renewable fossil fuel materials. Duraflame's transition to renewable, "bio-wax" materials continues its commitment to improving its products and minimizing its environmental impact.

Company Stats:

- Headquartered in Stockton, California
- Three manufacturing facilities: California, Kentucky, Ontario, Canada
- 250 employees in North America
- Over 50 million firelogs produced annually
- 30 years in business
- Independently owned and operated

"We are committed to innovation for the best customer experience."
Chris Caron, vice president, brand development for Duraflame, Inc.





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A BETTER FIRELOG IN EVERY WAY

Performing Even Better

Duraflame has long been known for manufacturing the best performing firelogs on the market. The benefit of switching from petroleum wax to the non-petroleum formulation is that now duraflame® firelogs perform even better. They light faster and burn with more robust flames than any other brand.

Investing in Green Technology for Better Return

Duraflame's recent reformulation initiative continues the company's tradition of investing in environmentally friendly technologies. It's no secret that the cost of petroleum products has significantly increased in recent years and is likely to continue increasing as global demand for this limited resource keeps growing. By switching to renewable sources for the wax component of its products, Duraflame hopes to stabilize raw materials costs over the long term and further minimize its environmental impact while improving overall product quality and performance.

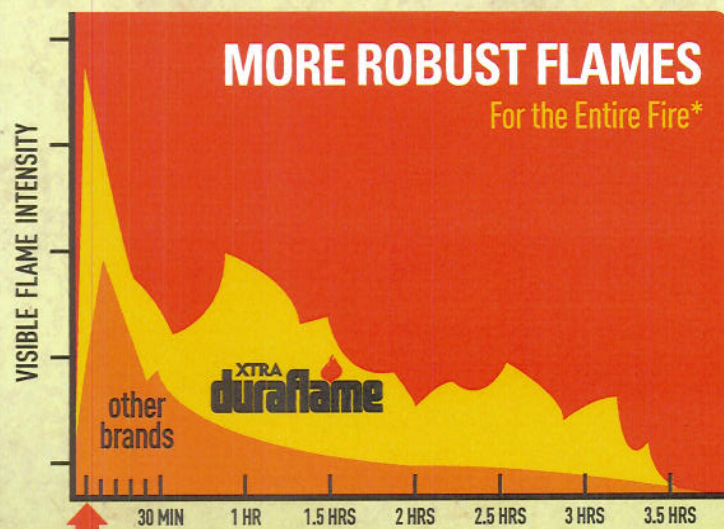
Engineering Team Masters Blends

The scientists at the Duraflame research and development facility in Stockton have spent the last two years deriving new ways to blend the non petroleum "bio-waxes" with wood and agricultural biomass fibers. The Duraflame engineering team is constantly figuring out new ways to create a better formulation.



Bigger and Bolder Fire

An added innovation this past year is the redesigned shape of the duraflame firelog. A new "hi-per-core" groove causes the firelog to open gradually, facilitating combustion of internal fuel. The result is much taller flames throughout the burn. This new shape enhances the improved performance of the non-petroleum formula.



FASTER LIGHTING

Duraflame lights fully in less than 5 minutes, other brands take over 10 minutes.**

270%
MORE
FLAMES

3.7x
FASTER

* Duraflame R & D 2006 ** Bureau Veritas (Feb. 2006)



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MINIMIZING ENVIRONMENTAL IMPACT

The NEW Eco-Friendly Fire

- **No Petro-Chemicals:** Duraflame® firelogs are now made without petroleum waxes. Natural waxes and oils are blended with recycled wood sawdust and agricultural biomass to produce an all-natural firelog.
- **Resource Efficient:** Duraflame firelogs use 80 percent fewer resources than burning firewood to produce a cozy fire.
- **Better for the Environment:** The use of 100 percent renewable materials results in a cleaner burning firelog and a carbon neutral product for the fireplace.

New Bio-Wax Formula: The new wax formula is derived from a blend of natural waxes made from renewable plant / vegetable materials. These materials are commonly used as ingredients in natural candles, soaps, animal feed, and other bio-fuels.



BY THE NUMBERS



Removal of **100 MILLION POUNDS** of petroleum wax from Duraflame products annually.



The switch to bio wax will eliminate carbon emissions from fossil fuels that are the equivalent of the annual carbon emissions from **62,000 AUTOMOBILES**.



Duraflame recycles **50,000 TONS OF WOOD SAWDUST** and **AGRICULTURAL BIOMASS** annually to make firelogs.



Burning of Duraflame firelogs saves **1.2 MILLION TREES** from use as firewood each year.



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THE CLEANEST BURNING LOGS FOR FIREPLACES

New Formulation Reduces Emissions

The new non-petroleum firelog is the cleanest burning duraflame firelog ever. Several independent tests have shown that duraflame firelogs produce up to 80 percent fewer fine particulate emissions and 90 percent less hazardous air pollutants than burning firewood in an open fireplace. New testing conducted in January 2007 by OMNI Environmental Laboratories of Beaverton, Oregon shows the carbon monoxide and VOC (volatile organic compounds) emissions are also significantly lower in the all natural firelogs due to better burning characteristics and even more complete combustion.

Independent Air Quality Agency Tests Provide More Proof

Two separate government-sponsored tests have recently documented the low emissions benefits of Duraflame products. In 2005, these tests confirmed the prior testing sponsored by Duraflame.

- Test #1 sponsored by Environment Canada and the U.S. Environmental Protection Agency (EPA)
- Test #2 sponsored by the Puget Sound Clean Air Agency in Seattle



Environment
Canada

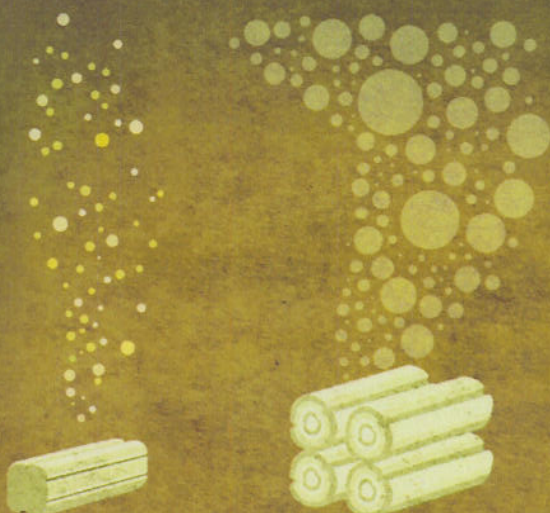


Reducing Smoke from Fireplaces

Reducing emissions from fireplaces is a priority in many communities throughout North America. Local air quality agencies, as well as the EPA, are advocating that people reduce the amount of smoke that comes from fireplaces in an effort to improve neighborhood air quality. Many air districts advocate the use of firelogs as an emissions reductions tool for open fireplaces.

"We consider firelogs as one of the best and most cost effective control measures for reducing residential wood smoke from fireplaces," says *Jim Nolan, compliance officer for the Puget Sound Clean Air Agency.*

Duraflame firelogs use 80% fewer resources to create a cozy 3-4 hour fire than what you would use to burn a wood fire for the same duration. And, because less material is burned, duraflame firelogs emit far less pollutants than firewood into the air.



DURAFLAME 6 LBS.

WOOD 30 LBS.

WHEN COMPARED TO BURNING FIREWOOD DURAFLAME FIRELOGS EMIT*:

- 80% less fine particulate matter
- 75% less carbon monoxide
- 90% less hazardous air pollutants

*Data is based on Duraflame comparisons to cordwood (U.S. EPA and Environment Canada).



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REDUCING THE CARBON FOOTPRINT OF RESIDENTIAL HOUSEHOLDS

Residential Wood Burning Appliances are Carbon Neutral

Wood burning fireplaces can be considered a carbon neutral appliance when it comes to greenhouse gases. Although they are not energy efficient, the carbon dioxide produced from wood combustion is already a part of the planet's natural carbon cycle. Burning wood is therefore not considered to add to the atmospheric carbon dioxide load.

Duraflame Firelogs are Carbon Neutral

Removing petroleum content from Duraflame products not only contributes to lower emissions, it also makes Duraflame firelogs carbon-neutral. Duraflame's new, all-natural firelogs create no net increase of carbon dioxide in the atmosphere and produce 70 percent less carbon emissions firewood.

Firelogs are More Climate Friendly than Natural Gas

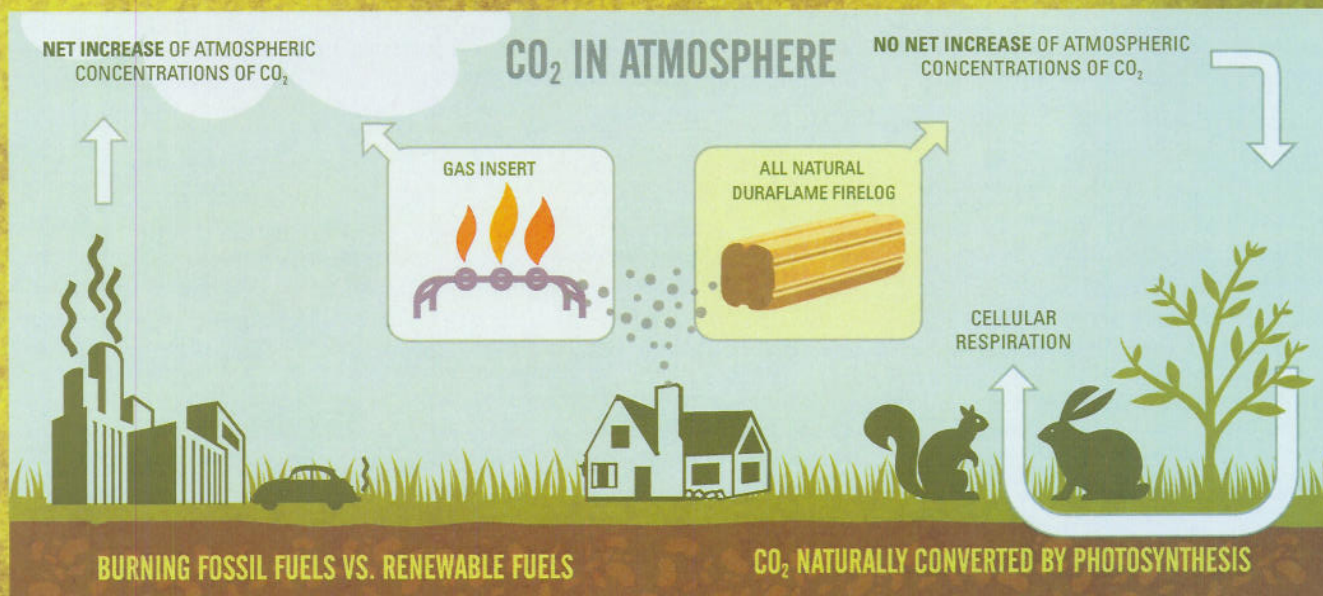
Although gas fireplaces are often touted as the cleanest burning alternative to firewood due to their low fine particulate emissions, 99 percent of their combustion emissions are greenhouse gases from non-renewable fossil fuel. In fact, recent studies show that Duraflame's all natural firelogs produce over 70 percent less greenhouse gas emissions than gas fireplaces or gas logs. This means Duraflame's new firelogs are a better environmental choice for people concerned about climate change.

Climate Protection Action

There are many ways to reduce greenhouse gases and ultimately protect the climate. More complex steps include driving hybrid cars or limiting air travel. Using firelogs instead of firewood or natural gas in a fireplace is a small step toward climate protection.



Duraflame firelogs are made with sustainable, recycled biomass and natural waxes.





Duraflame, Inc – Corporate Fact Sheet

Overview: Duraflame, Inc. is the brand leader in the manufactured fireplace fuels category. In addition to manufacturing duraflame® firelogs, Duraflame also manufactures fire starters for wood fires as well as barbecue products. Today, Duraflame holds a major share of the roughly \$250 million firelog market. In 2006, over 100 million firelogs were burned in homes across the United States.

Headquarters: Stockton, California

Philosophy: Duraflame ownership has long been committed to marketing safe, high quality and convenient fireplace products.

Firelogs: **XTRA®** - America's best selling firelog product, the 6lb firelog burns up to 4 hours.

CRACKLEFLAME® - The Crackleflame® firelog provides all of the convenience of a firelog with the soothing sound of a crackling wood fire. This firelog lasts for about 3 hours.

COLORLOG – A 5lb firelog that burns up to 3 hours with festive blue and green colors in the flames.

ANYFIRE® - Duraflame's most versatile firelog designed for use in indoor fireplaces or to be burned outdoors in fire pits and Chimeneas. The 3lb firelog burns for about 2 hours.

CHIMNEY MAINTENANCE FIRELOG – The duraflame® flue-renew™ firelog helps combat creosote build-up in chimneys in wood stoves.

Fire starters: **QUICK START®** - The 9 oz. Firelighter wedges are perfect for starting big wood fires.

FIRESTART® - These firelighters are ideal for bringing on camping trips, to a country Cabin, or on any other outings where lighting a wood fire may prove to be more difficult.

Company #s: 3 manufacturing facilities: California, Kentucky, and Ontario, Canada
250 employees in North America
Over 50 million firelogs produced annually
30 years in business



Duraflame, Inc. - Corporate History

- The Creation:** The duraflame® branded firelog was created as the result of a multi-year research and development project in the late 1960's aimed at adding value to the sawdust by-product generated from the milling of millions of pencil slats by California Cedar Products Company (CCPC) at its factory in Stockton, California.
- CCPC engineers determined that soft-wood Cedar fiber had a very good absorbency and bonded well with petroleum wax. The engineers also discovered they could extrude this mixture of sawdust and wax, fondly named "pasta", into a log-shaped form.
- To Market:** The extruded logs were designed for burning in residential fireplaces as an alternative to natural firewood. In 1972, this new extruded wax-sawdust fireplace log was introduced to the marketplace with the brand name of duraflame®. The duraflame® firelog quickly revolutionized the consumer fireplace fuels market by providing better performance, convenience and a cleaner-burning alternative to firewood.
- Throughout the 1980s, Duraflame committed significant marketing resources to create awareness of the firelog category. At the same time, Duraflame expanded distribution of its products beyond traditional supermarkets to mass merchandisers, hardware and home center outlets and warehouse clubs.
- The Duraflame product line was extended in the 1990s to include a diverse offering of firelogs, fire starters and fireplace accessory products. Duraflame also commenced a campaign to educate the public about the environmentally responsible characteristics of manufactured firelogs.
- Low Impact:** The company's products are made from recycled materials and numerous independent emissions tests have proven that sawdust and wax firelogs burn with significantly fewer pollutants and emissions than natural firewood. The environmentally friendly characteristics of the company's products allow Duraflame to work closely with air quality agencies to promote firelogs as a cleaner burning alternative to burning wood in fireplaces, facilitating increased growth for the category.
- Strong Growth:** Early in this decade, Duraflame, Inc. opened a new manufacturing facility in Somerset, Kentucky, and acquired an additional plant in Ontario, Canada. There are now three Duraflame firelog production facilities in North America.
- Duraflame has recently implemented initiatives to extend its brand into other product categories by directly marketing new products sourced through original equipment manufacturers or OEM suppliers or by licensing its brand to other companies. New categories recently entered include; charcoal and charcoal lighter fluids, utility lighters and barbecues.

Duraflame has maintained its position as America's number one selling firelog brand through a relentless commitment to providing customers with first in class quality products. The company holds a significant share of what is now an approximately \$250 million firelog market. Last year, over 100 million firelogs were burned in homes across the United States.

Innovation:

Duraflame continues to lead its industry in product innovation. Beginning in 2006, Duraflame embarked on a strategy to convert the petroleum wax component of its firelogs to non-petroleum, "bio waxes" derived from renewable plant and vegetable oils. Utilization of these renewable materials has resulted in a dramatic improvement in product quality, and will make a significant impact on reducing green house gas emissions from fossil fuels.

Duraflame is patenting its new "all natural" formulations and is confident this exciting innovation will provide a competitive advantage. Duraflame has extended the new "all natural" formula to its entire brand range of firelogs and fire starters and is repositioning the brand with new packaging graphics, increased consumer advertising and public relations campaigns that will communicate the enhanced environmental and performance benefits of its products to customers and consumers.

For more information:

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